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Supreme Court of the United States

OCTOBER TERM 1941

No. 661, 705, 740

AMERICAN TRI-ERGON CORPORATION and TRI-ERGON HOLDING A. G.,

Petitioners (Plaintiffs),

v.

RADTKE PATENTS CORPORATION and ALBERT A. RADTKE, WHITSON PHOTOPHONE CORPORATION and DELMAR A. WHITSON, CONWAY P. COE, COMMISSIONER OF PATENTS,

Respondents (Defendants).

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA, AND BRIEF FOR PETITIONERS IN SUPPORT THEREOF

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Dated, September 25, 1941

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v.

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Respondents (Defendants),

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

TO THE HONORABLE THE CHIEF JUSTICE AND ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

The petitioners above named respectfully pray for a Writ of Certiorari to the United States Court of Appeals for the District of Columbia to review the judgment of that Court in the above entitled cause. A transcript of the record therein including the proceedings in said Court of Appeals is furnished herewith in accordance with the Rules of this Court.

Short Statement of Matter Involved

1. Jurisdiction

This Court's jurisdiction is invoked under Section 240 (a) of the Judicial Code (28 U. S. C. A. 347). The date of the judgment of which petitioners seek review is June 30, 1941 (III R. 2081), rehearing denied August 29, 1941 (III R. 2094).

2. Nature of Suit

The suit was filed by petitioners in the District Court of the United States for the District of Columbia under Rev. Stat. 4915 (35 U. S. C. A. 63) with prayer for a decree authorizing the grant of a patent upon a patent application held by them. The issues arose out of prior interference proceedings involving this application and conflicting applications of respondents Radtke and Whitson, and decided in Radtke's favor in the Patent Office. In the opinions below petitioners are frequently referred to collectively as "Vogt", and the above respondents as "Whitson" and "Radtke".

3. Subject Matter Involved

The three conflicting patent applications deal with the electrical reproduction of sound (e. g. speech or music) so as to correspond with sound previously produced, and utilized to produce "acoustically modulated light" which reacts upon the other elements of the combinations specified in the claims in controversy, to reproduce the original sound. The general subject matter is succinctly described in the Findings of Fact of two District Judges (II R. 1635; and 1521, No. 11). The four claims in controversy are set forth at II R. 1634. These claims set forth a sound reproducing apparatus wherein a photoelectric cell having an alkali cathode is associated (1) with means for subjecting the cell to "acoustically modulated light" (e. g. a photo-

graphic film having areas of varying degrees of blackness proportional to successive sounds to be reproduced); and (2) with a circuit in which flows a correspondingly modulated current, i. e. one which varies proportionally to the intensity of the light affecting the photoelectric cell. Claims 3 and 4 also specify an amplifier circuit as associated with the photoelectric cell and its immediate circuit above referred to.

Related subject matter was considered on the basis of its general importance by this Court in *Altoona Publix Theatres Inc.* v. *American Tri-Ergon Corp.*, 294 U. S. 477. A film feeding machine as shown in petitioners' Patent No. 1,713,726 involved in the prior Altoona suit has been generally used in recent years in the motion picture industry for feeding photographic films past a photo-electric cell to supply the "acoustically modulated" light element of the combinations here involved. The present subject matter is accordingly of equal importance.

4. Prior Proceedings

The important events as outlined in the majority opinion of the Court of Appeals (III R. 2056) are:

(1) Initial rejection of the claims by the Patent Office (II R. 1619).

(2) A suit filed by petitioners under Rev. Stat. 4915 against the Commissioner of Patents (not the present suit) in the District Court of the District of Columbia, in which after trial and argument a final decree was entered authorizing the grant of a patent thereon to petitioners (III R. 1625) upon an opinion by Justice Adkins of that Court (II R. 1646-50) and his accompanying Findings and Conclusions (II R. 1633-46); in this decree the Commissioner acquiesced since he took no appeal.

(3) The action of the Commissioner of Patents in declaring interference proceedings to adjudicate priority between the applications of Whitson, Radtke and petitioners (II R. 1626), instead of proceeding to issue a patent to petitioners in accordance with such decree.

(4) Patent Office Interference decisions awarding priority of invention to Radtke, not on the ground that Radtke established any effective date of invention prior to petitioners (see particularly III R. 1973) but on finding petitioners' original application disclosure insufficient in that certain "inventive features" undisclosed therein would also have to be used to enable one skilled in the art to practice the invention (see III R. 1998; also I R. 30 to the effect that "considerable experimentation and invention" would be needed to make petitioners' disclosure operate). Thus the Commissioner took it upon himself, through his interference tribunals, to differ with the District Court as to the adequacy of petitioners' application disclosure, and on that ground authorized the grant of a patent to Radtke instead of petitioners.

(5) The action of the Commissioner in issuing a patent on Radtke's application (III R. 1798) shortly prior to this suit.

5. The Present Suit

Thereupon petitioners filed the present suit in the United States District Court for the District of Columbia, again praying for a decree authorizing the grant to them of a patent containing the same four claims which the same Court had previously authorized, and joining as defendants the Commissioner of Patents and the Radtke and Whitson parties who had been their opponents in the interference proceedings (I R. 2).

In their Answers none of the parties defendant denied petitioners' allegations as to the patentability of the claims, nor pled any facts upon which such a defense might have been predicated. The Commissioner admitted that he had refused to issue a patent to petitioners "in view of the decision of the Board of Appeals in said interference" and denied petitioners' allegations as to the incorrectness of such decision (I R. 19). Radtke and Whitson each pled that he was the *inventor* of the subject matter (I R. 25, 44).

(a) *The District Court's Decision Herein*

After a trial and argument in the District Court Justice Goldsborough of that Court filed an Opinion (II R. 1510-18) and Findings and Conclusions (II R. 1518-25). He held (contrary to the Patent Office Interference ruling, but in accord with Justice Adkins *supra,* p. 4) that petitioners' application disclosure was sufficient, and agreed with the Patent Office that neither Radtke nor Whitson had established a prior date of invention. He further held that while the prior decision of the same Court in petitioners' favor was not binding on him, he would follow it in the absence of clear error or additional evidence which might have induced a different decision, and that

> "the Court finds neither the error nor the evidence" (II R. 1517).

Accordingly a final decree was entered in the District Court to the effect that the claims are patentable and that petitioners are entitled to a patent containing them (II R. 1526).

(b) *The Majority Court of Appeals Decision Herein*

Appeal by Radtke and Whitson resulted in a split decision. As regards the relative rights of petitioners and Radtke, the majority opinion quotes crucial Findings of the District Court as to the sufficiency of petitioners' application disclosure (III R. 2076) and states "In our view these findings are supported by the evidence and prove that Radtke invented nothing" (III R. 2077), thus concurring with the District Court that the basis of the Patent Office interference decision in Radtke's favor (*supra,* p. 4) was unsound.

Then the majority went on to state "However we do not reach the conclusion therefrom that Vogt invented anything either" (III R. 2077) and directed dismissal of petitioners' complaint on a holding that the subject matter is lacking in invention over the prior art.

But as shown by the dissenting opinion (see *infra*, p. 8), the proceedings in this suit had not raised this issue of non-patentability.

The majority finding of lack of invention is founded primarily on two propositions (1) it harps back to the *initial* rejection of the claims by the Patent Office (*supra*, p. 3) as a basis for holding "the judicial function is exhausted when there is found to be a rational basis for the conclusions approved by the administrative body" and that "if there was a rational basis for that decision, it should be sustained" (III R. 2059); and (2) it finds (as a conclusion of scientific fact) that from the standpoint of an expert scientist having full knowledge of the prior art, no inventive genius was involved in the subject matter in suit.

As to the first proposition, the majority opinion does not explain why the Court seized upon an initial ruling for the above purposes, ignoring the subsequent and final rulings of the Patent Office (items 3 to 5 listed *supra*, pp. 3, 4) all three of which are predicated upon departmental rulings that the subject matter constitutes invention.

In support of the second proposition, the majority constitute themselves their own scientific experts on the significance to one skilled in the art of the numerous scientific documents which they cite. As shown by the note appended to the minority opinion (III R. 2079) *many of these treatises were not in evidence,* and to the list in that category should be added the Langmuir and Wold patents and the Kunz article cited in the majority opinion at III R. 2070. A number of these publications were *long subsequent in date* to petitioners' application (see note in dissenting opinion at III R. 2079).

Neither the Patent Office nor either of the District Judges ever made a finding that any of these treatises render the subject matter unpatentable, and in so far as such treatises were in the record the findings of both District Judges and actions of the Patent Office in the interference and in issuing Radtke's patent, must be taken as to the contrary (*supra*, pp. 4, 5).

Nor do we find any place in the record where any witness testified that these treatises disclosed to one skilled in the art enough to enable him to evolve the subject matter in suit by the exercise of ordinary skill and knowledge in the art. Neither by the pleadings (*supra,* p. 4) nor by the testimony were petitioners apprised of the contentions of unpatentability advanced in the majority opinion, or of any need of rebuttal evidence thereon. On the basis of the interference evidence, the Commissioner through his interference decisions saw fit to rule differently from Justice Adkins on the sufficiency of petitioners' application disclosure and adhered to that position in this suit (*supra,* p. 4), but he took no such action as to patentability.

The majority finding of unpatentability is also referred to "contentions" or positions taken in argument by counsel opposing petitioners (III R. bottom of pp. 2065, 2067, 2071, 2072, 2077) and to alleged "repudiation" by petitioners and their opponents of certain findings of Justice Adkins (III R. 2071, 2073).

There was also the suggestion as to certain features of the claimed combinations that petitioners are somehow prejudiced because they did not originally "claim" them to be invention, not that petitioners failed to insert patent claims on these features, but in the sense that there was no original *assertion* that these features required invention (see III R. 2064 as to "extravagant claims", 2067 as to Vogt's "theory of invention", 2072). The Court also took petitioners' statements that amplifiers and their circuits were well known, to be admissions of lack of invention in the *immediate photoelectric cell circuit,* which as later discussed is an entirely different and distinct thing (III R. 2070, 2071, 2072).

On the basis of the above matters the majority opinion attacks six out of thirty-five fact findings of Justice Adkins (II R. 1633-46) in support of patentability, and without any discussion of the weight or significance of the other twenty-nine findings which he made.

(c) *The Dissenting Court of Appeals' Opinion*

The minority opinion points out that the proceedings had not raised the issues passed upon by the majority (III R. 2078), found the majority decision to be an "unwarranted collateral attack" upon Justice Adkins' decision, that the question of patentability is "at least debatable, and * * * ought not, in my opinion, in fairness to the parties, be decided for the first time on appeal"; stating that "scientific references which are not in the record", should not be considered nor judicial notice taken of a disputed fact (III R. 2079), concluding—

> "I think an appellate court cannot properly reach an answer to such a question upon the basis of its own examination of data not in the record, and which may be disputable, without first affording opportunity to the parties to be heard in respect to it and an opportunity to supply additional relevant data" (III R. 2080).

Thus since the decree of Justice Adkins in 1931 endorsing petitioners' right to a patent, petitioners have been subjected to the following time-consuming, expensive and vacillating proceedings: Instead of granting the patent the Commissioner instituted the interference proceedings to determine the question of priority of invention as between Whitson, Radtke and petitioners; then came the Commissioners' interference decisions in which he ruled that neither Whitson nor Radtke had established any prior effective date, but proceeded to differ with Justice Adkins as to the sufficiency of petitioners' application disclosure and awarded and issued a patent to Radtke on that ground; then the decision of Justice Goldsborough agreeing with the Patent Office that Radtke and Whitson had established no prior effective date, agreeing with Justice Adkins and the Patent Office that the subject matter is patentable, and disagreeing with the Patent Office but agreeing with Justice Adkins that petitioners' application disclosure is adequate; then

the majority appellate opinion agreeing with Justice Adkins and Justice Goldsborough that petitioners' application disclosure is sufficient, agreeing with both District Judges and the Patent Office as to petitioners' priority over Radtke, but holding on the basis of its own researches contrary to both District Judges and the *final* rulings of the Patent office, and in the face of Radtke's issued patent, that the subject matter lacks invention; and accompanied by a dissenting opinion to the effect that the majority appellate holding of lack of invention is without justifiable grounds.

Thus as to patentability, three of the tribunals have held with petitioners, two of the appellate judges have held to the contrary, but the third appellate judge has held the views of the other two to be unjustified.

And Radtke stands with an issued patent despite concurrence by the majority of the appellate court in the District Court's finding that the disclosure of petitioners' application is adequate and proves "that Radtke invented nothing" (III R. 2077). Radtke is thus left free to contest the validity of his patent elsewhere under circumstances where as discussed later (p. 24), the Court of Appeals' decision, if it stands, will eliminate petitioners' priority (concurred in by the appellate court) as a ground of invalidity of the Radtke patented claims. At I R. 208 it was alleged in Radtke's behalf that the large interests engaged in exploiting sound motion picture apparatus are paying royalties and operating under licenses predicated on this patent, and Shepherds' Citations shows nine suits filed under such patent against smaller (and presumably unlicensed) operators in the New York area.

Thus despite its stress on the "public" interest (III R. 2059) the majority opinion unjustly sets up the Radtke interests.

Questions Presented

1. Was there a justifiable basis for the Appellate Court's finding of lack of invention in the technical subject matter here involved, under circumstances where—

   (a) The finding is predicated upon the Court's own appraisal of scientific treatises many of which were not in evidence and some later in date than petitioners.

   (b) Petitioners were not apprised of such a defense by the pleadings, nor was the finding supported by testimony of witnesses skilled in the art asserting that the subject matter was thereby rendered obvious.

   (c) There were no findings by either of the trial judges or by the Patent Office ascribing to these treatises the significance found by the appellate court.

   (d) The finding of the Appellate Court in so far as it involves matters passed upon by the District Court, is contrary to the findings of two District Judges, and contrary to the *final* rulings of the Commissioner of Patents on the subject matter.

2. On the record as it came before the Court of Appeals and on concurrence by that Court in petitioners' priority over Radtke's already issued patent, should not the decree of the District Court have been affirmed?

3. Or if (contrary to petitioners' position) the Appellate Court was justified in raising *de novo* the intricate matters of scientific fact and opinion discussed in the majority opinion, should not the case have been remanded to the District Court for evidence and findings on these matters in order to accord petitioners a fair hearing and their day in court in respect thereto?

Reasons Relied on for Allowance of the Writ

1. In holding the subject matter unpatentable on the basis of its own researches on technical documents (some not in evidence and others later than petitioners) and without expert testimony or findings of the trial court or the Commissioner of Patents supporting its conclusions in respect to such documents, the Court of Appeals has so departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision (this Court's Rule 38, 5 (b); dissenting opinion III R. 2080; *Helis* v. *Ward,* 308 U. S. 365, 370).

2. The Court of Appeals has decided the merits against petitioners on matters of scientific fact and opinion as set forth in its opinion, as to which petitioners have not had fair opportunity for cross examination or the presentation of rebutting evidence, and have therefore been denied their day in Court (*Helis* v. *Ward,* 308 U. S. 365, 370).

3. In reversing, without supporting testimony of those skilled in the art, the *final* rulings of the Commissioner of Patents and the concurring rulings of two District Judges that the subject matter is patentable, the Court of Appeals did not give proper effect to applicable decisions of this Court (*Morgan* v. *Daniels,* 153 U. S. 120, 125; *Mississippi Valley Barge Line Co.* v. *United States,* 292 U. S. 282, 286, 287; *Adamson* v. *Gilliland,* 242 U. S. 350, 353), also Rule of Civil Procedure No. 52(a); this Court's Rule 38, 5 (b) (c)).

4. The United States Court of Appeals for the District of Columbia has decided a question of general importance which should be reviewed by this Court. (This Court's Rule 38, 5 (c); *Altoona Publix Theatre Inc.* v. *American Tri-Ergon Corp.,* 294 U. S. 477, and *supra,* page 3.)

5. The decision of the Court of Appeals if permitted to become final will unjustly relieve Radtke's already issued patent from the consequences of petitioners' adjudi-

cated priority over Radtke, so that this defense against the Radtke patent could not later be presented to this Court or any other court in any other case (*Schriber-Schroth Co.* v. *Cleveland Trust Co., et al.,* 305 U. S. 47).

6. The action of the Court of Appeals in holding that petitioners' successful pioneership in sound-on-film reproduction is shown to be non-inventive on the basis of "numerous * * * experimenting and writing" (III R. 2077) which never achieved success, is contrary to applicable decisions of this Court (this Court's Rule 38, 5 (c); *Smith* v. *Snow,* 294 U. S. 1, 6; *The Barbed Wire Patent Case,* 143 U. S. 275, 283; *Eibel Process Co.* v. *Minnesota & Ontario Paper Co.,* 261 U. S. 45).

7. In holding that its "capacity as guardian of the public interest" justified the consideration of *de novo* grounds of lack of invention on intricate and technical subject matter, which grounds neither the Commissioner of Patents nor the other defendants undertook to prove or try out in this cause, and in the face of Radtke's already issued patent, the Court of Appeals erroneously expanded and applied this Court's decision in *Hill* v. *Wooster,* 132 U. S. 693. (This Court's Rule 38, 5 (c).)

WHEREFORE, your petitioners pray that a writ of certiorari be issued under the seal of this Court, directed to the United States Court of Appeals for the District of Columbia, to the end that this cause may be reviewed and determined by this Court; that the decree of said Court be reversed and the decree of the United States District Court for the District of Columbia be affirmed; and that petitioners be granted such other and further relief as may be found just and proper.

KENNETH S. NEAL,
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Counsel for Petitioners.

Dated, New York, September 25, 1941.